United States Government Accountability Office

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November 2007

UNITED NATIONS

Progress on Management Reform Efforts Has Varied

GAO-08-84

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GAO Accountability • Integrity • Reliability

Highlights

Highlights of GAO-08-84, a report to the Permanent Subcommittee on Investigations, Committee on Homeland Security and Governmental Affairs, U.S. Senate

Why GAO Did This Study

The United States has advocated reforms of United Nations (UN) management for many years. In October 2006, GAO reported that UN management reforms were progressing slowly and that many were still awaiting review by the General Assembly. For this review, GAO was asked to (1) determine the progress of UN management reform initiatives in five key areas—ethics, oversight, procurement, management operations of the Secretariat, and review of programs and activities (known as mandates)—and (2) identify factors that have slowed the pace of reform efforts. To address these objectives, GAO reviewed documents relating to UN management reform and interviewed U.S. and UN officials.

What GAO Recommends

To encourage UN member states to continue to pursue the reform agenda of the 2005 World Summit, GAO recommends that, as management reforms are implemented over time, the Secretary of State and the U.S. Permanent Representative to the UN include in State's annual *U.S. Participation in the United Nations* report an assessment of the effectiveness of the reforms. State agreed with GAO's recommendation and generally endorsed GAO's findings and conclusions.

To view the full product, including the scope and methodology, click on GAO-08-84. For more information, contact Thomas Melito at (202) 512-9601 or melitot@gao.gov.

What GAO Found

The progress of UN management reform efforts has varied in the five areas that GAO reviewed—ethics, oversight, procurement, management operations of the Secretariat, and review of programs and activities (known as mandates). To determine the status of these reform efforts, GAO developed three categories of progress, defined as follows:

Little or no progress = Few or no steps have been taken
Some progress = Some steps have been taken, while others remain
Substantial progress = The reform effort has been mostly or fully implemented

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The ethics office has made substantial progress in staffing its office and implementing a whistleblower protection policy, as well as some progress in developing ethics standards and collecting and analyzing financial disclosure forms. Member states made some progress in improving oversight at the UN when they created an Independent Audit Advisory Committee, which is expected to be operational by January 2008. Additionally, the Office of Internal Oversight Services (OIOS) improved the capacity of individual divisions, including internal audit and investigations. However, UN funding arrangements continue to constrain the independence of OIOS and its ability to audit high-risk areas. Some progress has been made in the area of procurement, such as developing a comprehensive training program for procurement staff. However, the UN has made little or no progress in establishing an independent bid protest system. Some progress has been made in reforming management operations of the UN Secretariat, such as improving human resource functions and information technology. In contrast, little or no progress has been made in reforming the UN's internal justice system for resolving and adjudicating staff grievances and safeguarding the rights of staff members, certain budgetary and financial management functions, and the delivery of certain services. Finally, despite some limited initial actions, the UN's review of programs and activities (known as mandates) has not advanced due in part to a lack of support by many member states.

Various factors have slowed the pace of UN management reforms, and a number of reforms cannot move forward until these factors are addressed. Four key factors that have slowed the pace include (1) disagreements among member states on the priorities and importance of UN management reform efforts, (2) the lack of comprehensive implementation plans for some management reform proposals, (3) administrative policies and procedures that continue to complicate the process of implementing certain complex human resource initiatives, and (4) competing UN priorities, such as the proposal to reorganize the Department of Peacekeeping Operations, that limit the capacity of General Assembly members to address management reform issues.

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Abbreviations

ACABQ	Advisory Committee on Administrative and Budgetary Questions
CITO	chief information technology officer
DPKO	UN Department of Peacekeeping Operations
ERP	Enterprise Resource Planning
Fifth Committee	Administrative and Budgetary Committee
GA	General Assembly
IAAC	Independent Audit Advisory Committee
OIOS	Office of Internal Oversight Services
UN	United Nations

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GAO
Accountability * Integrity * Reliability

United States Government Accountability Office
Washington, DC 20548

November 14, 2007

The Honorable Carl Levin
Chairman
The Honorable Norm Coleman
Ranking Member
Permanent Subcommittee on Investigations
Committee on Homeland Security and Governmental Affairs
United States Senate

Since its creation in 1945, the United Nations (UN) has undertaken various management reform efforts, including a series of reforms in 1997 and 2002 that included proposed changes in human resources and budgeting activities. However, several independent reports have found that serious problems and inefficiencies in UN management persist. For example, the 2005 Independent Inquiry Committee's investigation of the UN's Oil for Food program[1] and the Gingrich-Mitchell task force review in June 2005[2] found fraud, corruption, mismanagement, and inadequate oversight in UN procurement activities. Recently, in October 2007, the UN reported further fraud and corruption in procurement activities, including 10 additional cases in which over $25 million was misused or misappropriated.[3] Given the growth in complexity and significance of UN worldwide operations, such reports underscore the immediate need to reform and modernize UN management processes.

In September 2005, heads of member states held a World Summit to address, among other things, long-standing concerns about UN management. The resolution approved by all member state representatives

[1]In 1996, the UN and Iraq established the Oil for Food program to address Iraq's humanitarian needs after sanctions were imposed in 1990. In April 2004, the UN established the Independent Inquiry Committee to investigate the administration and management of the UN Oil for Food program. See Independent Inquiry Committee into the United Nations Oil for Food Program, *Interim Report* (New York, Feb. 3, 2005) and *The Management of the Oil-for-Food Program* (New York, Sept. 7, 2005).

[2]United States Institute of Peace, *American Interests and UN Reform Report of the Task Force on the United Nations* (Washington, D.C., June 2005).

[3]United Nations, *Report of the Office of Internal Oversight Services on the Activities of the Procurement Task Force for the 18-month period ended 30 June 2007*, A/62-672 (New York, Oct. 5, 2007).

at the summit[4]—known as the "outcome document"—recognized the urgent need to improve UN management processes and called on the Secretary-General and General Assembly to propose and approve reforms to strengthen the organization. As the largest financial contributor to the UN, the United States has a strong interest in the progress of reform initiatives and has advocated the need for comprehensive management reform. We reported in October 2006 that UN management reforms were progressing slowly and that many were still awaiting review by the General Assembly.[5] We also reported the UN had not developed comprehensive implementation plans with associated time frames, cost estimates, and potential savings. In response to your request, we (1) determine the progress of UN management reform initiatives in five key areas—ethics, oversight, procurement, management operations of the Secretariat, and review of programs and activities (known as mandates)—and (2) identify factors that have slowed the pace of these reform initiatives.[6] The reform efforts were implemented too recently for us to evaluate their effectiveness.[7]

To assess the progress of specific UN management reform efforts within each of the five areas we reviewed, we developed the following three categories: little or no progress, some progress, and substantial progress.[8] However, we did not assign an overall level of progress to each of the five reform areas because the various initiatives within each area are highly diverse. During our review, we determined which category of progress to assign to each reform effort based on documents we collected and

[4]United Nations, *2005 World Summit Outcome*, G.A. Res. 60/1, U.N. GAOR, 60th Sess., U.N. Doc. A/RES/60/1 (2005).

[5]GAO, *United Nations: Management Reforms Progressing Slowly with Many Awaiting General Assembly Review*, GAO-07-14 (Washington, D.C.: Oct. 5, 2006).

[6]This report focuses on management reform initiatives of the UN General Assembly and the UN Secretariat. It does not address the activities of other UN entities, funds, and programs. For the purposes of this report, "UN" refers to the UN General Assembly and the UN Secretariat.

[7]We define effectiveness as the extent to which reform efforts are achieving their goals and objectives. GAO, *Government Auditing Standards: 2003 Revision*, GAO-03-673G (Washington, D.C.: June 2003), 21.

[8]We assign "little or no progress" to reform efforts where there is evidence that few or no steps have been taken on the reform effort; "some progress" to those where there is evidence that some steps have been taken on the reform effort, while others remain; and "substantial progress" to those where there is evidence that the reform effort has been mostly or fully implemented.

discussions we had with State Department, UN, and other officials. After we had made our initial assessments of progress, three other GAO staff members not involved in this review used the evidence and the categories to make their own assessments independently of each other. These staff members then met with each other to reconcile any differences in their initial assessments. Finally, they met with us and confirmed that we were all in agreement on our assessments. To address our objectives, we reviewed documents proposing UN management reforms and interviewed officials from several UN departments in New York. We reviewed reports and bulletins published by the UN General Assembly and Secretariat, relevant UN resolutions, and related budget documents. The majority of the cost estimates for the proposed reform initiatives are preliminary, and detailed cost estimates are being developed; therefore, we did not analyze the assumptions underlying these estimates to determine whether they are reasonable and reliable. We met with officials from the General Assembly Office of the President, the Office of the Deputy Secretary-General, the Department of Management, and the Office of Internal Oversight Services (OIOS). We also met with representatives from 17 of 192 member states from various geographic regions to obtain a balance of views on the most critical challenges to reforming UN management. We discussed the status of UN management reforms with officials from the Department of State in Washington, D.C., and New York and the UN in New York. We performed our work from March to November 2007 in accordance with generally accepted government auditing standards. (App. I provides a detailed discussion of our scope and methodology.)

Results in Brief

The progress of UN management reform efforts has varied in the five areas we reviewed—ethics, oversight, procurement, management operations of the Secretariat, and review of programs and activities (known as mandates).

- **Ethics**: Since our last report in October 2006, the UN has taken some steps to improve ethics. The ethics office has made substantial progress in increasing staffing and in enforcing a whistleblower protection policy. In addition, the UN has made some progress in developing ethics standards and in enforcing financial disclosure requirements. However, UN and staff from a nonprofit public interest group expressed concerns that the success of the whistleblower protection policy is, in part, dependent on reforms in the UN's internal justice system that are not projected to be completed until 2009. In addition, the policy is potentially limited by the office's lack of jurisdiction over UN funds and programs.

- **Oversight**: Although the UN has improved its oversight capability, the Office of Internal Oversight Services (OIOS) has not yet achieved financial and operational independence. After almost 2 years of discussions that included negotiating its composition and responsibilities, member states created an Independent Audit Advisory Committee (IAAC) in June 2007 and made some progress in making it operational. The committee's five members were elected in November 2007, and the committee is expected to be operational by January 2008. Since our October 2006 report, some progress has been made in strengthening OIOS. Although OIOS has improved the capacity of individual divisions, including internal audit and investigations, UN funding arrangements continue to constrain its ability to audit high-risk areas, and member states have not yet agreed on whether to grant OIOS financial and operational independence.

- **Procurement**: The UN has improved its procurement process, but some reform issues have not moved forward since we last reported in October 2006. Activities on which some progress has been made are the strengthening of procedures for UN procurement staff and suppliers, developing a comprehensive training program for procurement staff, and developing a risk management framework. However, the UN has made little or no progress in establishing an independent bid protest system and creating a lead agency concept, whereby specific UN organizations would procure certain goods and services in order to enhance division of labor, reduce duplication, and reduce costs. In addition, since our October 2006 report, the reorganization of the Department of Peacekeeping Operations, and its related procurement activities, may affect the UN's overall procurement reform efforts, such as establishing lines of accountability and delegation of authority for the Departments of Management and Peacekeeping Operations.

- **Management operations of the Secretariat**: Since our October 2006 report, the UN has improved some of the management operations of the Secretariat, but many reform proposals have not moved forward. Some progress has been made on issues involving human resources and information technology. In contrast, little or no progress has been made in reforming the UN's internal justice system, budgetary and financial management functions, and the delivery of certain services, such as internal printing and publishing. During the current (62nd) session, the UN is expected to consider several reports on management operations issued by the Secretariat.

- **Review of programs and activities (known as mandates**): Despite some limited initial actions, the UN's review of all UN mandates has not advanced due in part to a lack of support by many member states and a

lack of capacity to carry out the reviews. Although some progress was made in Phase I of the review, which ended in December 2006, little or no progress has been made in Phase II because member states continue to disagree on the scope and the process of the review. As a result, the prioritization of this particular UN management reform effort has decreased, according to UN and State officials. In September 2007, member states decided to continue reviewing mandates in the 62nd session of the General Assembly but had not yet decided on an implementation plan for the review.

Various factors have slowed the pace of UN management reforms, and some reforms cannot move forward until these factors are addressed. We identified four key factors, including (1) disagreements among member states on the priorities and importance of UN management reform efforts, (2) lack of comprehensive implementation plans for some management reform proposals, (3) administrative policies and procedures that continue to complicate the process of implementing certain complex human resource initiatives, and (4) competing UN priorities, such as the proposal to reorganize the Department of Peacekeeping Operations, that limit the capacity of General Assembly members to address management reform issues.

To encourage UN member states to continue to pursue the reform agenda of the 2005 World Summit, we are recommending that, as management reforms are implemented over time, the Secretary of State and the U.S. Permanent Representative to the UN include in State's annual *U.S. Participation in the United Nations* report an assessment of the effectiveness of the reforms.

We requested comments on a draft of this report from the Department of State and the UN Secretariat. State provided written comments that are reprinted in appendix II, along with our responses to specific points. State generally endorsed the main findings and conclusions of our report and noted that our assessment of UN progress on management reform efforts was accurate and balanced. State also agreed fully with the need to keep Congress informed of the effectiveness of management reforms, adding that the department will continue to monitor and inform Congress, as we recommended. In addition, State provided technical comments that we have incorporated into the report, as appropriate. Although the UN Secretariat did not provide written comments, it provided technical comments that we have incorporated into the report, as appropriate.

Background

Calls to reform the UN began soon after its creation in 1945.[9] Despite cycles of reform, UN member states continue to have concerns about inefficient management operations. As the largest contributor of 192 member states, the United States has played a significant role in promoting UN management reform, including calling for various financial and administrative changes. The United States, through the Department of State in Washington, D.C., and the U.S. Mission to the United Nations in New York,[10] continues to advocate reform of UN management processes.

In July 1997, the Secretary-General proposed a broad reform agenda to transform the UN into an efficient organization focused on achieving results as it carried out its mandates.[11] In May 2000, we reported that while the Secretary-General had substantially reorganized the Secretariat's leadership and structure, he had not yet completed reforms in human resource management and planning and budgeting.[12] In September 2002, to encourage the full implementation of the 1997 reforms, the Secretary-General released a second set of reform initiatives, some expanding on those introduced in 1997 and others reflecting new priorities. In February 2004, we reported that 60 percent of the 88 reform initiatives in the 1997 agenda and 38 percent of the 66 initiatives in the 2002 agenda were in place.[13]

In 2004 and 2005, a series of UN and expert task force reports recommended a comprehensive reform of UN management and the UN

[9]The UN comprises (1) the General Assembly, the Security Council, the Economic and Social Council, and other governing bodies of the 192 member states that set the work requirements and activities for UN programs and departments; (2) the Secretariat, headed by the Secretary-General, which carries out a large part of the mandated work; and (3) funds and programs, such as the UN Development Program, which are authorized by the General Assembly to conduct specific lines of work.

[10]The U.S. Mission to the United Nations in New York, which has a staff of more than 100, represents the United States at the world body.

[11]Although the Secretary-General does not have direct authority over specialized agencies and many funds and programs, many member states wanted the reforms at the Secretariat to serve as a model for UN-wide reforms, according to State.

[12]GAO, *United Nations: Reform Initiatives Have Strengthened Operations, but Overall Objectives Have Not Yet Been Achieved*, GAO/NSIAD-00-150 (Washington, D.C.: May 10, 2000).

[13]GAO, *United Nations: Reforms Progressing, but Comprehensive Assessments Needed to Measure Impact*, GAO-04-339 (Washington, D.C.: Feb. 13, 2004).

human rights apparatus.[14] In September 2005, world leaders gathered at the UN World Summit in New York to discuss global issues such as UN reform, development, and human rights, as well as actions needed in each of these areas. The outcome document from the World Summit,[15] endorsed by all members of the UN, outlines broad UN reform efforts in areas such as oversight and accountability and human rights. The document also called for the Secretary-General to submit proposals for implementing reforms to improve management functions of the Secretariat.[16]

In April 2006, we reported on weaknesses in the UN's oversight[17] and procurement systems, both of which have been identified as important

[14]These studies included a 2004 report of a high-level panel convened by the Secretary-General to recommend ways to strengthen the UN, a March 2005 Secretary-General report to the General Assembly, a June 2005 report by a task force mandated by the U.S. Congress to recommend improvements to organizational effectiveness, and several reports of the Independent Inquiry Committee, established to investigate the Oil for Food Program. See United Nations, *A More Secure World: Our Shared Responsibility*, *Report of the Secretary-General's High Level Panel on Threats, Challenges and Change* (New York, 2004); *In Larger Freedom: Towards Development, Security and Human Rights for All*, U.N. Doc. A/59/2005; *Independent Inquiry Committee into the United Nations Oil-for-Food Program*, *Interim Report* (New York, Feb. 3, 2005); and *The Management of the Oil-for-Food Program* (New York, Sept. 7, 2005). Also see United States Institute of Peace, *American Interests and UN Reform*, *Report of the Task Force on the United Nations* (Washington, D.C., June 2005).

[15]G.A. Res. 60/1, U.N. GAOR, 60th Sess., U.N. Doc. A/RES/60/1 (2005).

[16]The September 2005 outcome document also outlined reforms in other areas, such as governance, Security Council, and Economic and Social Council reform; General Assembly revitalization; and the establishment of a Peace Building Commission. These reforms are outside the scope of our review.

[17]In June 2007, we reported on the internal oversight functions at six UN organizations other than the Secretariat: the Food and Agriculture Organization, International Labor Organization, United Nations Development Program, United Nations Children's Fund, World Food Program, and World Health Organization. We found that their internal audit and evaluation offices had not fully implemented international auditing or UN evaluation standards. We also found that the governing bodies responsible for their oversight lack full access to internal audit reports, and most lack direct information from the audit offices about the sufficiency of their resources and capacity to conduct their work. To improve oversight in UN organizations, we recommended that the Secretary of State direct the U.S. Missions to work with member states by (1) making audit reports available to the governing bodies and (2) establishing independent audit committees that are accountable to their governing bodies. See GAO, *United Nations Organizations: Oversight and Accountability Could Be Strengthened by Further Instituting International Best Practices*, GAO-07-597 (Washington, D.C.: June 18, 2007).

areas for reform.[18] We found that UN funding arrangements constrained the ability of the UN Secretariat's Office of Internal Oversight Services (OIOS) to operate independently and direct resources toward high-risk areas as needed. In addition, we found serious weaknesses in procurement internal controls. Specifically, the UN lacked an effective organizational structure for managing procurement, had not demonstrated a commitment to improving its procurement workforce, and had not adopted specific ethics guidance.

In October 2006, we reported slow progress in five key UN management reform areas—management operations of the Secretariat, oversight, ethics, review of programs and activities (known as mandates), and human rights. Numerous reform proposals were either awaiting General Assembly review or had been recently approved, and many of the proposed or approved reforms lacked an implementation plan with time frames and cost estimates for the goals stated in the 2005 outcome document.[19] We also identified several factors that could affect the UN's ability to fully implement management reforms, including (1) disagreements among member states about the implications of the reforms, (2) the difficulty of holding managers accountable for completing reform efforts due to the absence of time frames and cost estimates, and (3) administrative policies and procedures that could complicate the implementation process.

Progress on UN Management Reform Efforts Has Varied

Since October 2006, the progress of UN management reform efforts has varied from little or no progress to substantial progress in the five areas we reviewed—ethics, oversight, procurement, management operations of the Secretariat, and review of programs and activities (known as mandates).

Steps to Improve Ethics Have Been Taken

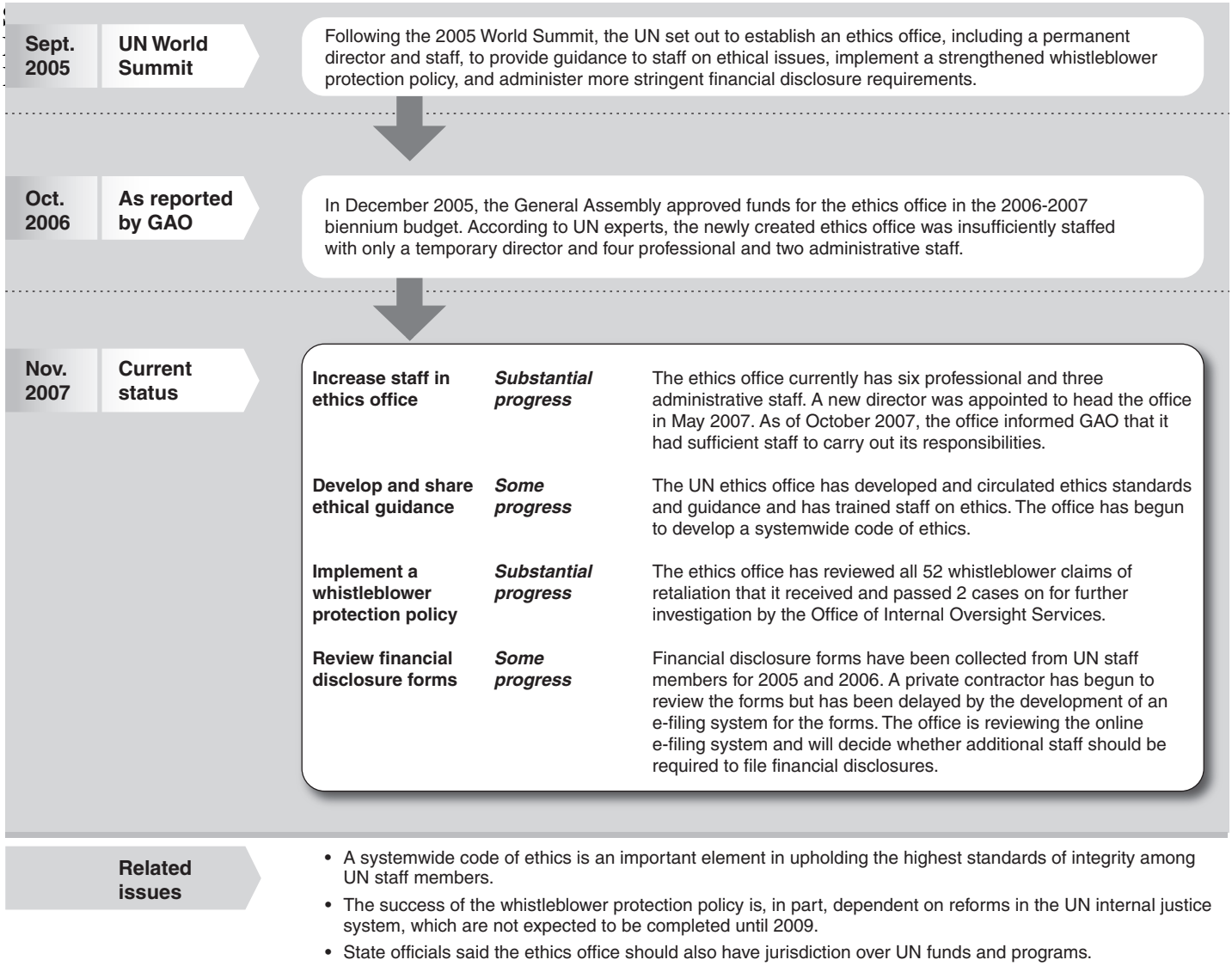
The UN has taken steps to improve organizational ethics since the fall of 2006. In the past year, the ethics office has hired a permanent director and additional staff and has developed and provided ethics standards, training,

[18]GAO, *United Nations: Funding Arrangements Impede Independence of Internal Auditors*, GAO-06-575 (Washington, D.C.: Apr. 25, 2006); *United Nations: Procurement Internal Controls Are Weak*, GAO-06-577 (Washington, D.C.: Apr. 25, 2006); and *United Nations: Lessons Learned from Oil for Food Program Indicate the Need to Strengthen UN Internal Controls and Oversight*, GAO-06-330 (Washington, D.C.: Apr. 25, 2006).

[19]GAO-07-14.

and guidance. The office has begun to enforce a whistleblower protection policy, but concerns have been raised about the policy's lack of jurisdiction over UN funds and programs and weaknesses in the UN's internal justice system. Finally, the ethics office has collected financial disclosure forms for 2005 and 2006 and a private consultant has begun to review them, but the review has been delayed by the development of an e-filing system for the forms. Progress on UN ethics reform is shown in figure 1.

Figure 1: Progress on UN Ethics Reform



Little or no progress = Evidence that few or no steps have been taken on the reform effort.
Some progress = Evidence that some steps have been taken on the reform effort, while others remain.
Substantial progress = Evidence that the reform effort has been mostly or fully implemented.

Source: GAO analysis of UN data.

In the past year, the UN has made substantial progress in staffing its ethics office by hiring a permanent director and additional permanent staff. In the fall of 2006, we reported concerns of UN experts that the newly created UN ethics office was insufficiently staffed with a temporary director and four professional and two administrative staff members. In May 2007, a new director of the ethics office was appointed to a 3-year term. As of October 2007, the ethics office had six professional and three administrative staff. At that time, the director of the office told us the office had sufficient staff to carry out its responsibilities.

Some Progress Has Been Made in Developing and Sharing Ethics Guidance

As of October 2007, the UN ethics office had made some progress in developing and circulating ethics standards and guidance and had begun to develop a systemwide code of ethics. The office reported that it had received 287 requests for services from staff at different levels of the Secretariat between August 2006 and July 2007, including ethics advice on issues such as potential and actual conflicts of interest, protection against retaliation for reporting misconduct, and training.

The ethics office has increased ethics training within the organization, including half-day ethics training workshops for over 3,000 staff members at all levels of the Secretariat and consultations on the acceptance and disposal of gifts received by staff in their official capacity. The office has also developed new ethics standards, such as postemployment restrictions standards. In May 2007, the ethics office published, and disseminated throughout the Secretariat, the booklet *Working Together: Putting Ethics to Work*. This guide highlights the main challenges to professional and ethical conduct, clarifies the reasons behind ethical standards in the context of the UN's mission and values, and provides staff with resources to put ethical principles to use, such as contact information for reporting abuse. In addition, in August 2007, the office published four brochures that have been used in outreach, training, and communication activities.[20]

The ethics office has begun to develop a systemwide code of ethics for all UN personnel, including those of UN bodies and agencies other than the Secretariat as requested by the General Assembly in the 2005 World Summit outcome document. The director of the ethics office told us the development of a systemwide code of ethics was one of his top priorities

[20]The brochures are *Introduction to the Ethics Office*, *Financial Disclosure Programme*, *Protection against Retaliation*, and *Conflicts of Interest*.

and would be undertaken in the near future, in consultation with staff and management from multiple UN entities.

Substantial Progress Has Been Made in Enforcing a Whistleblower Protection Policy

The UN has made substantial progress in enforcing a whistleblower protection policy. The ethics office has begun receiving complaints of retaliation, and several concerns have arisen during the handling of cases. Between August 1, 2006, and July 31, 2007, the ethics office received 52 complaints of whistleblower retaliation.[21] After its initial assessment, the ethics office determined that 16 complaints warranted a preliminary review. Of these 16, the ethics office referred two cases to OIOS for further investigation following a determination that a prima facie case of retaliation had been established. Of the remaining 36 complaints, the ethics office determined that 19 fell outside the scope of its responsibilities and/or referred them to other offices,[22] and provided advice and guidance on more appropriate actions to address 11 complaints. In addition, the office was copied on six complaints that were primarily addressed to other offices or departments in the UN; in these instances, the ethics office keeps track of and follows up on any pending action by other offices.

Several Concerns Have Been Identified with the UN's Whistleblower Protection Policy

UN and State officials have raised concerns regarding the UN's whistleblower protection policy. Officials from the ethics office and a nonprofit public interest group, the Government Accountability Project,[23] informed us that the success of the UN's whistleblower protection policy could be, in part, dependent on successful reform of the UN's internal justice system.[24] UN and Government Accountability Project staff told us that some UN staff members might not trust the current system to be fair or impartial and, consequently, might not come forward with claims of retaliation. In its August 2007 annual activities report, the ethics office

[21]The policy on protection against retaliation for reporting misconduct went into effect on January 1, 2006; it formalizes protective measures for staff members under the threat of, or experiencing, retaliation for duly reported misconduct in their working environment, or for cooperating with duly authorized audits or investigations.

[22]For whistleblower retaliation complaints, the ethics office consults with the offices of Human Resources Management, Legal Affairs, the Ombudsman, and Internal Oversight Services and the secretariat of the Joint Appeals Board.

[23]The Government Accountability Project is a 30-year-old nonprofit public interest group that aims to promote government and corporate accountability by advancing occupational free speech, defending whistleblowers, and empowering citizen activists. For more information, visit http://www.whistleblower.org/.

[24]We discuss the reform of the UN's internal justice system later in this report.

expressed a concern that it had not had an opportunity to provide input into its role in the proposed new internal justice system in relation to other offices, such as OIOS and the Office of the Ombudsman, and the office expressed the importance of its inclusion in the justice reform process.

UN and State officials told us another concern about the whistleblower protection policy is its lack of jurisdiction over UN funds and programs.[25] In August 2007, after initially reviewing a whistleblower retaliation case of an employee at the UN Development Program, the ethics office and the Office of Legal and Procurement Services concluded that the UN's whistleblower protection policy applies only to employees directly under the Secretary-General.[26] They also concluded that the office has no formal jurisdiction over various UN funds and programs, including the UN Development Program. UN and State officials told us that the whistleblower protection policy is limited in its effectiveness if it is not applied to the entire UN system. Similarly, the Government Accountability Project has criticized the effectiveness of the current UN whistleblower protection policy and recommended that the jurisdiction of the ethics office be extended to UN funds and programs and possibly to specialized agencies.[27] In his August 2007 report on the activities of the ethics office, the Secretary-General recommended that the General Assembly consider

[25]The UN system is composed of bodies including the main Secretariat and separately administered funds, programs, and specialized agencies. For example, funds and programs include the United Nations Children's Fund and the United Nations Development Program, which have executive boards and executive heads but are under the authority of the UN Secretary-General.

[26]In August 2007, the UN Development Program (UNDP) refused a request from the ethics office director to submit to a formal investigation regarding the accusation that the program had retaliated against an employee who exposed abuse and rules violations in the agency's programs in North Korea. In a letter to UNDP in August 2007, the director of the ethics office said the ethics office determined that the UNDP case was prima facie and pointed out that UNDP did not have an applicable protection from retaliation policy. UNDP responded that it would appoint its own independent investigator to handle the case. Additional allegations of retaliation have since surfaced in UNDP programs in Senegal and Turkey.

[27]Specialized agencies, such as the Food and Agriculture Organization, have their own governing bodies and executive heads and are not under the authority of the Secretary-General. These agencies, which are legally independent international organizations with their own rules, membership, organs, and financial resources, were brought into relationship with the United Nations through negotiated agreements.

broadening the jurisdiction of the ethics office to cover all UN entities and to provide further guidance on this issue.[28]

Some Progress Has Been Made in Collecting and Analyzing Financial Disclosures

The UN has made some progress in collecting and analyzing financial disclosure forms for 2005 and 2006. Financial disclosure forms have been collected from UN staff members, and a private contractor has begun to review them. The primary purpose of the financial disclosure program is to identify potential conflicts of interest arising from staff members' financial holdings, private affiliations, or outside activities and to provide advice when conflicts are found. About 1,700 staff members were required to file financial disclosure or declaration of interest statements for 2005.[29] About 98 percent of staff complied, and the remaining 2 percent were referred to the Office of Human Resources Management for disciplinary action. A total of 2,548 staff members were required to file forms for 2006. The office reported that the increase in staff required to file likely reflects an increased awareness of the program by the heads of departments and their staff members. In addition, as a confidence-building measure, the current UN Secretary-General and Deputy Secretary-General voluntarily made their recent financial disclosure forms public.

The financial disclosure statements for 2005 were reviewed by a private contractor and analyzed to determine any potential conflicts of interest between the staff members' confidentially disclosed private interests and their official duties and responsibilities.[30] In May 2007, the contractor identified potential conflicts of interest in 17 of the cases reviewed, or about 1 percent. Of these cases, 14 staff members accepted the advice of the private contractor to address the potential conflict and 3 cases were referred to the ethics office for final resolution due to disagreements with the contractor.

The 2006 review is not yet complete. The deadline for submitting forms for 2006 was delayed until May 31, 2007, as a consequence of the development

[28]United Nations, *Activities of the Ethics Office*, UN Doc. A/62/285.

[29]The policy applies to staff at the director level and above, staff whose principal duties include procurement or investment functions, staff with access to confidential procurement or investment information, and staff serving in the ethics office.

[30]The General Assembly chose PriceWaterhouseCoopers LLP to conduct an external review of staff members' financial disclosure and declaration of interest statements in December 2006.

of an online e-filing system.[31] In order to enhance efficiencies and standardize procedures, the private contractor developed an online e-filing system in liaison with the ethics office to simplify and expedite filing requirements. The director of the ethics office told us that the process for the 2006 review was ongoing, and, as a result, the compliance rate was not finalized as of September 2007.

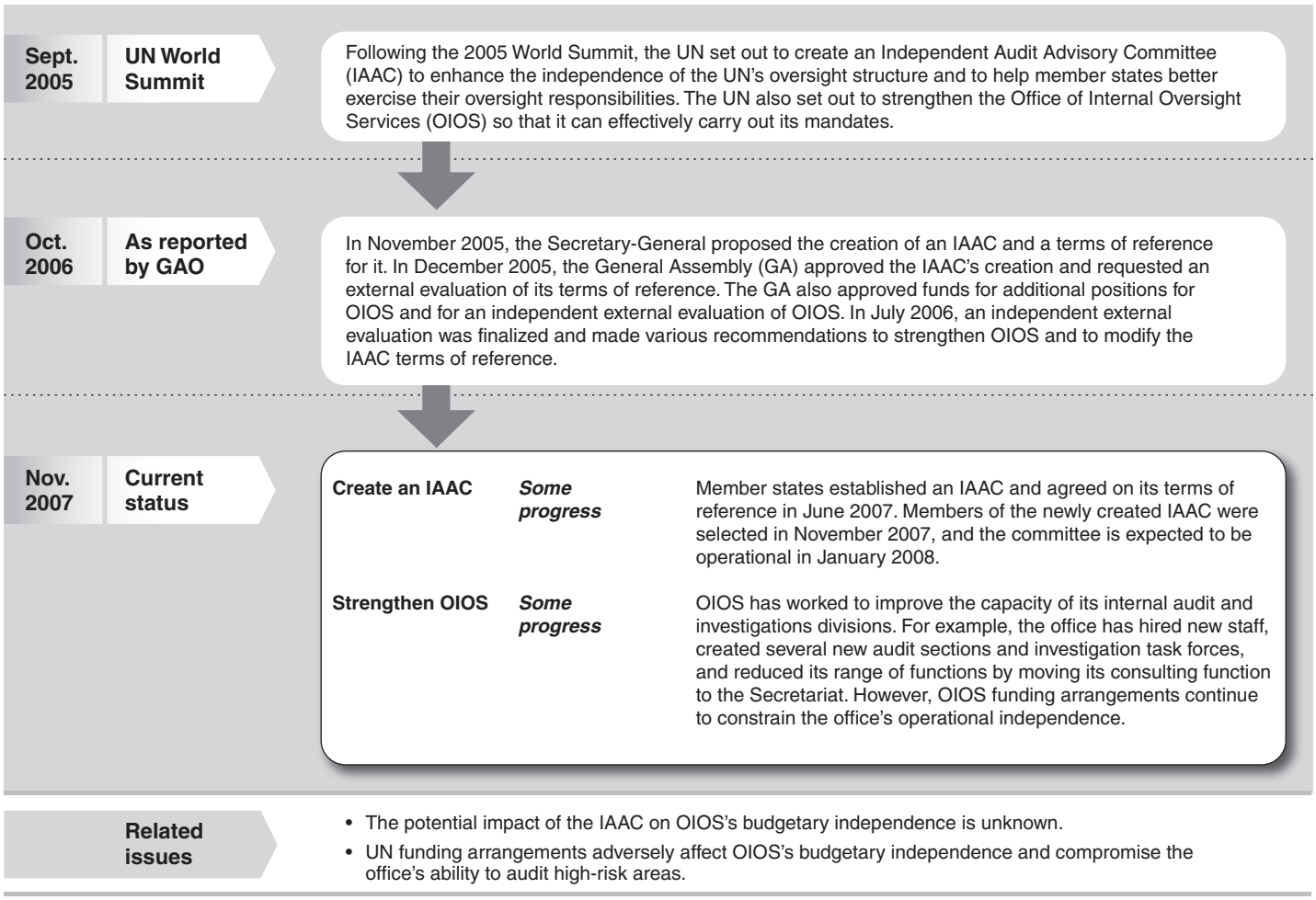
The ethics office plans to review the online financial disclosure form and accompanying guidelines in consultation with other UN offices to decide whether modifications need to be made. In addition, the office reported that it is conducting a review to determine whether financial disclosures should be required of officials other than those of the Secretariat.

Steps to Improve Oversight Have Been Taken

Steps have been taken to improve UN oversight capabilities. After almost 2 years of discussions that included negotiating its composition and responsibilities, member states established an Independent Audit Advisory Committee (IAAC) in June 2007. Since our October 2006 report, OIOS has worked to improve the capacity of individual divisions, including internal audit and investigations. However, UN funding arrangements continue to constrain OIOS's ability to audit high-risk areas, and the General Assembly has not authorized OIOS's financial and operational independence. Progress on UN oversight reform is shown in figure 2.

[31]A March 31 deadline will apply in future years, according to the ethics office.

Figure 2: Progress on UN Oversight Reform



Little or no progress = Evidence that few or no steps have been taken on the reform effort.
Some progress = Evidence that some steps have been taken on the reform effort, while others remain.
Substantial progress = Evidence that the reform effort has been mostly or fully implemented.

Source: GAO analysis of UN data.

Some Progress Has Been Made in Creating an Independent Audit Advisory Committee

The UN has made some progress in creating IAAC, but the committee is not expected to be operational until January 2008. In June 2007, member states established IAAC to provide an external, independent assessment of UN oversight capabilities based on best practices in the private sector as well as the experiences of other international institutions.

In approving the creation of IAAC in June 2007, the General Assembly also established the committee's terms of reference. These terms include the following guidelines and requirements:

- membership of 5 individuals, preferably from a pool of at least 10 candidates proposed by member states, based on regional and geographical representation and selected by the General Assembly;
- an evaluation process for candidates through consultations with an external relevant institution, such as the International Organization of Supreme Audit Institutions; and
- membership appointment for a term of 3 years, with the possibility of one-time re-election.

The IAAC's responsibilities include, but are not limited to

- examining OIOS's work plan, taking into account the work plans of the other UN oversight bodies;
- reviewing the adequacy of OIOS's budget, taking into account OIOS's work plan;
- advising on the effectiveness, efficiency, and impact of OIOS's audit and other activities; and
- advising the General Assembly on potential oversight issues based on review of UN financial statements and Board of Auditors reports.

The guidelines and requirements represent a compromise among the member states, according to member state representatives and State Department officials. Member states disagreed on some of the initially proposed responsibilities of IAAC. For example, the United States and several other countries had originally favored that candidates for membership be referred by the International Organization of Supreme Audit Institutions and that members not be eligible for re-election. Other member states disagreed. In addition, State wanted IAAC to be responsible for assessing the work of all UN oversight bodies, including the UN Board of Auditors and the UN Joint Inspection Unit. However, both of these bodies strongly resisted having IAAC oversee their respective functions, and it was ultimately decided that IAAC would focus primarily on the work of OIOS while taking into account the work plans of the other UN oversight bodies. State Department officials told us they were satisfied

overall with the creation of IAAC despite the various compromises. The five members of the newly created IAAC were elected in November 2007,[32] and the committee is expected to be operational in January 2008.

Some Progress Has Been Made in Strengthening OIOS

The UN has made some progress in strengthening the Office of Internal Oversight Services. The office has strengthened the capacity of its internal audit, investigation, and evaluations and inspections sections. However, OIOS funding arrangements continue to hinder its operational independence.

Since our last report, OIOS has strengthened the capacity of its internal audit, investigation, and evaluations and inspections sections. For example, OIOS created nine new audit posts for its internal audit division and combined two previously separated internal audit divisions in New York and Geneva within a single division. OIOS established a professional practices section—fully staffed with six regular staff and three general services staff—that is responsible for (1) implementing OIOS's risk assessment framework, (2) implementing a quality assurance program, (3) devising productivity tools, and (4) improving performance reporting to management. OIOS also established an information and communication technology section, which has developed an audit strategy and conducted risk assessments for the information and communication technology functions of various departments at headquarters.

Several steps have also been taken to improve OIOS's investigations division. Member states decided to keep investigations in OIOS rather than move it to the Secretariat's Office of Legal Affairs, despite a July 2006 external evaluation's recommendation to shift the investigations function to a department in the Secretariat. OIOS argued that such a shift would significantly diminish the UN's oversight functions by potentially compromising the independence of investigations and creating a potential conflict of interest. Since 2006, about 16 new posts have been created for the investigations division. OIOS has established a separate special investigations task force for sexual exploitation and abuse, as well as a procurement investigations task force.

[32]The five members are from India, Jamaica, the Russian Federation, Uganda, and the United States. They were elected from a pool of candidates from five geographic regions: Asia; Latin America and the Caribbean; Eastern Europe; Africa; and Western Europe and other states. The member from the United States is the Honorable David M. Walker, Comptroller General of the United States and head of the U.S. Government Accountability Office.

Finally, OIOS has made progress in reducing its range of functions and improving the capacity of its evaluations and inspections sections. For example, in order to reduce some of its multiple responsibilities and focus more directly on its oversight responsibilities, the office has shifted several nonoversight related functions to the UN Department of Management, including its consulting function. In addition, in 2006, the evaluation section was strengthened by the addition of two posts to increase the number of evaluations that can be undertaken.

Funding arrangements at OIOS continue to impede the independence of internal auditors. OIOS is designed to be an operationally independent entity responsible for assisting the Secretary-General in fulfilling his internal oversight responsibilities of the resources and staff of the UN through internal audit, monitoring, inspection, evaluation, and investigations. However, OIOS faces two conflicts that have been impeding its independence: (1) OIOS's budget is subject to the review of the Department of Management, for which OIOS has oversight responsibility, and (2) OIOS must negotiate funding for nearly two-thirds of its budget with the entities it is chartered to audit. Without operational independence, OIOS is constrained in its ability to prevent or mitigate risks to the UN's resources and personnel. These risks include fraud, waste, abuse, inefficiencies, and mismanagement. In April 2006, we reported that UN funding arrangements adversely affect OIOS's budgetary independence and constrain its ability to audit high-risk areas.[33] For example, OIOS depends on the resources of the funds, programs, and other entities it audits, and the managers of these programs can deny OIOS permission to perform work or not pay OIOS for services. State and OIOS generally agreed with our overall findings and recommendations.

Discussion of the revision of OIOS's funding arrangements was deferred from the 61st to the 62nd session of the General Assembly due to a lack of consensus on funding issues.[34] In its report to the 62nd session on its activities between July 1, 2006, and June 30, 2007, OIOS reiterated that the UN does not yet have a formal and structural internal control framework that would provide reasonable assurance to management that its financial resources are being handled effectively and that its objectives are being achieved. OIOS pointed out that serious deficiencies in internal controls

[33]GAO-06-575.

[34]The General Assembly's 61st session began in September 2006, and its 62nd session began in September 2007.

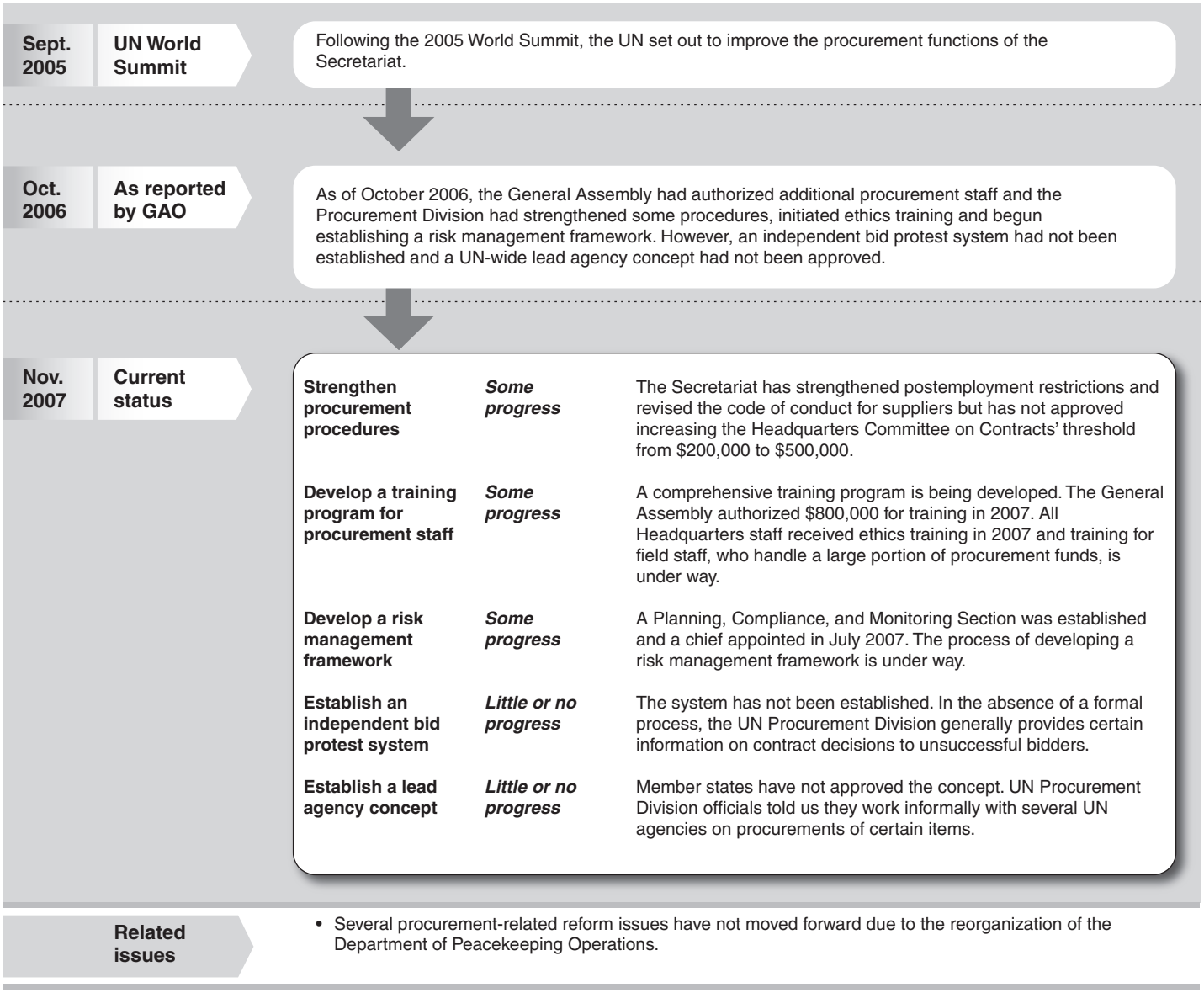
have left the UN susceptible to mismanagement and fraud, particularly regarding procurement activities in Sudan and Congo.[35] OIOS reported that its internal audit division continues to rely directly on organizations funded from extra-budgetary resources to provide the resources necessary to finance a portion of its functions. This reliance does not allow the division to focus its attention on the areas of highest risk and constrains the implementation of its audit work plan. For example, it reported that OIOS is unable to provide reasonable assurance that all high-risk areas have been identified and are being addressed in the United Nations Environment Programs. OIOS concluded that its dependence on extra-budgetary funding significantly affects its independence.

Steps to Improve Procurement Have Been Taken

The UN Secretariat has improved the UN procurement process, but a number of reform issues have not moved forward since our October 2006 report. Some progress has been made in strengthening the procedures for its procurement staff and suppliers, developing a comprehensive training program for procurement staff, and developing a risk management framework. However, the UN has made little or no progress in establishing an independent bid protest system and creating a lead agency concept for procurements, whereby specific UN organizations would procure certain goods and services in order to enhance division of labor, reduce duplication, and reduce costs. In addition, since our October 2006 report, other organizational issues have arisen that may affect the UN's procurement reform efforts. Progress on UN procurement reform is shown in figure 3.

[35]See United Nations, Report of the Secretary-General, *Report on the Activities of the Office of Internal Oversight Services for the Period from 1 July 2006 to 30 June 2007*, A/62/281 (Part I).

Figure 3: Progress on UN Procurement Reform



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Source: GAO analysis of UN data.

Some Progress Has Been Made in Strengthening Procurement Procedures for UN Staff and Suppliers

The UN Secretariat has made some progress in strengthening the operating procedures for its procurement staff and suppliers. In December 2006, the Secretariat issued a bulletin on postemployment restrictions for former UN staff involved in procurement. The bulletin was issued following several incidents in recent years in which UN officials and former officials were involved in unethical and improper procurement activities.[36] The December 2006 bulletin requires that former UN staff members, for 1 year following UN employment, are prohibited from accepting employment or compensation from any UN contractor and, for 2 years, are prohibited from acting on behalf of others in procurement-related matters. In an additional measure to strengthen its procedures, the UN also issued, in May 2007, a revised supplier code of conduct. The code requires that suppliers are responsible for adhering to the postemployment restrictions by not employing former UN staff members for at least 1 year following a staff member's separation from the UN. However, a proposal to increase the minimum threshold for contracts required to be reviewed by the Headquarters Committee on Contracts from $200,000 to $500,000 has not been approved. OIOS previously recommended that the threshold be increased, and, according to Procurement Division officials, increasing the threshold would assist in expediting procurements and better utilizing their time.

Some Progress Has Been Made in Developing a Training Program for UN Procurement Staff

The UN Procurement Division has made some progress in developing a comprehensive training program for procurement staff. Although the program is not expected to be formally in place until early 2008, procurement staff are currently being trained in contracting, acquisition, and other specialized subjects. The training is part of a development plan to provide a career path for procurement staff—those who complete the training will be eligible to be certified by internationally recognized procurement institutions.[37] In addition, according to UN Procurement Division officials, all procurement staff in headquarters received ethics training in 2007. As of October 2007, some field staff had received the ethics training and, according to UN officials, the UN expects to have provided the training to all field staff by the end of March 2008.

[36]GAO, *United Nations: Observations on the Oil for Food Program and Areas for Further Investigation*, GAO-04-953T (Washington, D.C.: July 8, 2004); and *United Nations: Oil for Food Program Audits*, GAO-05-346T (Washington, D.C.: Feb. 15, 2005).

[37]The American Certification Institute and the International Purchasing and Supply Chain Management Institute provide certification for procurement professionals.

Some Progress Has Been Made in Developing a Risk Management Framework

The UN Procurement Division has made some progress in its efforts to develop a risk management framework. In July 2007, a Planning, Compliance, and Monitoring Section was established and a chief was appointed to establish tools to detect potential transaction problems and minimize risks. Also, a proposal for implementing the concept of best-value-for-money is under development and expected to be put into practice by the Procurement Division in March 2008. In addition, the UN Department of Management is in the initial planning stages of establishing a UN-wide risk management framework, known as the Enterprise Risk Management concept. However, as of September 2007, the concept is still in the planning stages, time frames and costs for its implementation have not been established, and risks associated with procurement activities remain. For example, the OIOS Procurement Task Force reported in October 2007 that it had found multiple instances of fraud, waste, and mismanagement—including 10 instances of fraud and corruption in cases with an aggregate value of over $610 million—resulting in misappropriation of resources or the unjust enrichment of vendors and their agents in excess of $25 million. The task force reported that a number of cases have been referred to national authorities for criminal prosecution or to the UN for consideration of subsequent legal action. It has also recommended civil recovery of monetary damages.[38]

Little or No Progress Has Been Made in Establishing an Independent Bid Protest System

As of October 2007, an independent bid protest system had not been established. The lack of an independent bid protest system limits the transparency of the procurement process by not providing a means for a vendor to protest the outcome of a contract decision to an independent official or office. Such a system would provide reasonable assurance that vendors are treated fairly when bidding and would also help alert senior UN management to situations involving questions about UN compliance. According to the UN Procurement Division, a draft process, which includes an emphasis on best practices from public- and private-sector procurements, is expected to be finalized by the first quarter of 2008. Procurement Division officials told us that, in the meantime, they have enhanced communications with vendors, including developing a more systematic debriefing procedure for vendors whose bids were unsuccessful.

[38]United Nations, *Report of the Office of Internal Oversight Services on the Activities of the Procurement Task Force for the 18-month period ended 30 June 2007*, A/62-672 (Oct. 5, 2007). According to this report, the task force continues to examine cases and is funded through 2007. The report also states that it is unlikely that these cases will be finalized under the current arrangements.

Little or No Progress Has Been Made in Establishing a Lead Agency Concept for Procurement

The UN has made little or no progress in establishing a lead agency concept, whereby specific UN organizations would procure certain goods and services in order to enhance division of labor, reduce duplication, and reduce costs. For example, the World Food Program might be best suited to procure items for air transport needs, while the UN Inter-Agency Procurement Services Office might be best at procuring certain vehicles. In a report on procurement reform submitted to the General Assembly in June 2006, the UN projected that implementation of the lead agency concept would take 6 to 12 months.[39] However, in December 2006, the General Assembly did not approve a proposal to adopt the concept. In the absence of the General Assembly's approval, Procurement Division officials told us they have established informal relationships with several UN organizations that, under current rules and regulations, facilitate the procurement of certain specialized goods and services, as needed.

Several Procurement-Related Issues Have Not Moved Forward Due to DPKO Reorganization

The General Assembly did not consider several procurement reform issues during the recently completed 61st session because of the UN's June 2007 reorganization of the UN Department of Peacekeeping Operations (DPKO). Issues that are currently unclear include operational procedures,[40] such as establishing lines of accountability, delegation of authority, and the responsibilities of the Departments of Management and Peacekeeping Operations.[41] Because of the reorganization, announced by the Secretary-General in February 2007, the Secretariat did not submit several reports on procurement during the 61st session, as requested by the General Assembly. According to Secretariat officials, they did not submit the reports mainly because the reorganization of the DPKO created several procurement-related concerns that have not yet been addressed.

[39]United Nations, Report of the Secretary-General, *Investing in the United Nations: for a stronger Organization worldwide: detailed report addendum*, A/60/846/Add.5 (June 16, 2006).

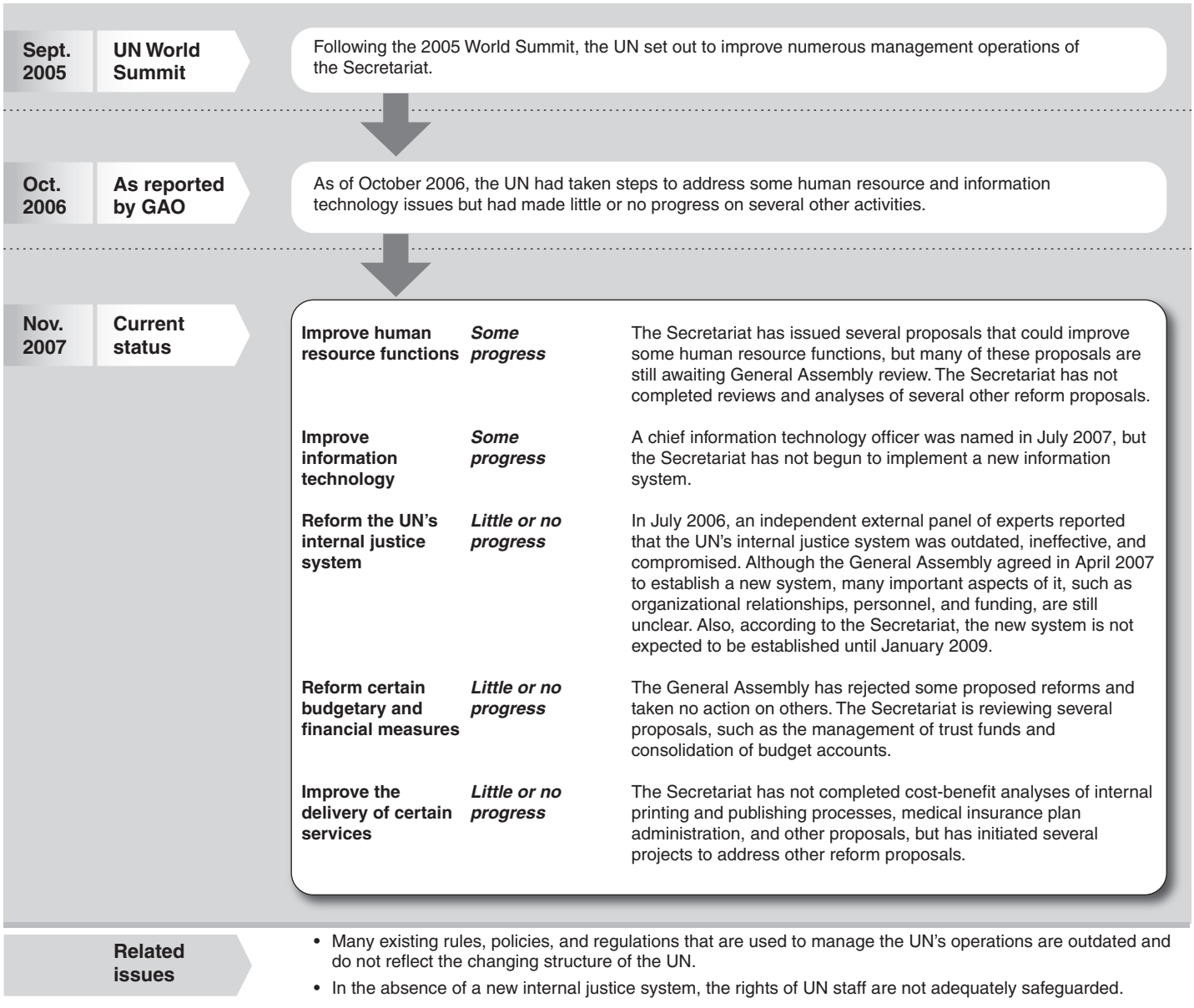
[40]In February 2007, the UN Secretary-General proposed a reorganization of DPKO into an operational unit and a support unit in order to strengthen the unity of command. The new support unit, known as the Department of Field Support, is expected to give peacekeepers more control over such issues as procurement of goods for troops.

[41]As of October 2007, GAO had begun reviews of the reorganization of the UN Department of Peacekeeping Operations.

Steps to Improve the Management Operations of the Secretariat Have Been Taken

The UN has taken actions to improve some of the management operations of the Secretariat, but many reform proposals still have not moved forward. Some progress has been made on issues involving human resources and information technology, while little or no progress has been made in reforming the UN's internal justice system, reforming certain budgetary and financial management functions, and improving the delivery of certain services. Since our October 2006 report, the Secretariat has issued several reports on management operations that the General Assembly is expected to consider during the current (62nd) session. Progress on reforming management operations of the UN Secretariat is shown in figure 4.

Figure 4: Progress on Reforming Management Operations of the UN Secretariat



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Source: GAO analysis of UN data.

Some Progress Has Been Made in Improving Human Resource Functions

The UN has made some progress in improving human resource functions. Since we issued our October 2006 report, the UN Secretariat has issued several reports with proposals that, if implemented, could improve some human resource functions. However, the proposals are, in large part, still awaiting General Assembly review. In addition, the Secretariat has not completed reviews and analyses of other human resource reform proposals.

In late September 2006—too late for inclusion in our October 6, 2006 report—the Secretary-General released a report entitled *Investing in People* that included a human resources management framework aimed at strengthening the UN's human resources goals.[42] The report included discussions of several human resources issues and specifically stated that

- staff mobility is essential to creating a more-versatile, multiskilled, experienced staff capable of handling the UN's operations, which have changed dramatically in the last 20 years;
- an effective career development policy serves both the UN and its staff members by building and maintaining an international civil service capable of meeting the UN's present and future needs, as well as meeting the development needs and aspirations of the staff; and
- a one-time staff buyout could enable the Secretary-General to realign staff to meet the UN's changing priorities, while facilitating retirement or separation of staff who can no longer meet their career aspirations.

The General Assembly considered the report during the 61st session and, in large part, postponed making decisions on key issues.[43] For example, in a January 2007 resolution, the General Assembly postponed decisions regarding streamlining contractual arrangements and harmonizing conditions of service and rejected the proposed one-time staff buyout. Also, since its May 2006 rejection of the concept, the General Assembly has not taken steps to redefine the role of the Deputy Secretary-General to assume formal authority and accountability for the management and overall direction of the operational functions of the Secretariat.

[42] A/61/255.

[43] A/RES/61/244.

From March to May 2007, the Secretariat submitted reports to the General Assembly, as requested, on human resource issues such as recruiting and staffing, conditions of service, and contractual arrangements. However, because of the General Assembly's focus on the reorganization of the DPKO and other issues during that time frame, the General Assembly did not consider these issues, which are currently rescheduled for consideration during the 62nd session. According to U.S. and UN officials and most of the 17 member state delegates we spoke with, reforming these and other human resource functions is likely to continue to be difficult because of long-standing disagreements among member states.

Some Progress Has Been Made in Improving Information Technology

The UN has made some progress in improving information technology. The position of chief information technology officer (CITO), created by the General Assembly in August 2006, was filled in July 2007, and the official took office in September 2007. The leadership of a CITO is necessary to help ensure greater integration of the Secretariat's workflow and knowledge management by allowing program objectives to be integrated with budgetary and financial data into one process, with the goal of enabling the Secretariat to act more transparently and efficiently in managing staff and procuring goods and services of greater quality and quantity, at lower levels of risk. The CITO is especially important at the present time because the UN is in the process of developing a new organizationwide information system—known as the Enterprise Resource Planning (ERP) system—to replace its antiquated integrated management information system. Creation of the ERP has been in the planning process for several years, and, according to Secretariat officials, implementation of the system is expected to start in 2008. During the planning process, the UN has worked with potential vendors to help ensure that the new system, when implemented, will adequately support the global functions of the UN, including an ever-growing number of peacekeeping missions. As of October 2007, the Secretariat had not selected the firm that will implement the new system. According to UN officials, the Secretariat is expected to announce a decision in 2008.

The Secretary-General did not submit a comprehensive report on information management, including cost estimates, in March 2007, as requested by the General Assembly. According to UN officials, the report was not submitted because the ERP planning process was ongoing, a CITO had not yet been named, and the Secretariat was still collecting data on information technology and other issues. The Secretariat plans to present reports on information technology to the General Assembly during the 62nd session, on topics such as the implementation of the ERP and governance of information and communications technology.

Little or No Progress Has Been Made in Reforming the UN's Internal Justice System

The UN has made little or no progress in reforming its internal justice system. According to a July 2006 report by an independent external panel of experts,[44] the UN's internal justice system was outdated, ineffective, and compromised. The panel's report concluded that effective reform of the UN is not possible without an efficient, independent, and well-resourced internal justice system that safeguards the rights of staff members and effectively helps ensure the accountability of managers and staff members. Although the General Assembly agreed in April 2007 to establish a new internal justice system, many issues involving organizational relationships, personnel, and funding of the new system are still unclear. As of October 2007, the General Assembly had yet to decide who would be covered by the new system, how judges within the Office of the Ombudsman would be nominated and selected, and what resources would be needed. According to the Secretariat, member states aim to implement the new system by January 2009.

Little or No Progress Has Been Made in Reforming Certain Budgetary and Financial Management Functions

Since our October 2006 report, the UN has made little or no progress in improving certain budgetary and financial management functions. The General Assembly has rejected some proposed reforms and taken no action on others. For example, to improve cash management and operational flexibility, the Secretary-General proposed that peacekeeping accounts be consolidated. In July 2007, the General Assembly rejected this proposal. The Secretary-General also proposed to improve strategic budgetary planning and implementation by reducing the number of sections in the budget from 35 sections to 13, and provided detailed information on this proposal in May 2006. However, as of October 2007, the General Assembly had not taken action on the proposal. Other financial management reform proposals that have not been adopted include retaining budget surpluses for use in subsequent periods, charging interest on arrears of member states' assessed contributions, and creating a separate account to cover certain unanticipated expenditures arising from exchange rate fluctuations and inflation. The Secretariat has prepared a number of reports that the General Assembly is scheduled to review during the current (62nd) session and is reviewing other proposed reform actions, such as the management of trust funds.

[44]United Nations, *Report of the Redesign Panel on the United Nations system of administration of justice*, A/61/205 (July 28, 2006). The Secretary-General established this panel of independent external experts in January 2006 to review and possibly redesign the internal justice system. Although the reform effort was not included in the 2005 World Summit outcome document, we included it in the scope of our review because it is related to ethics and human resource reform.

Little or No Progress Has Been Made in Improving the Delivery of Certain Services

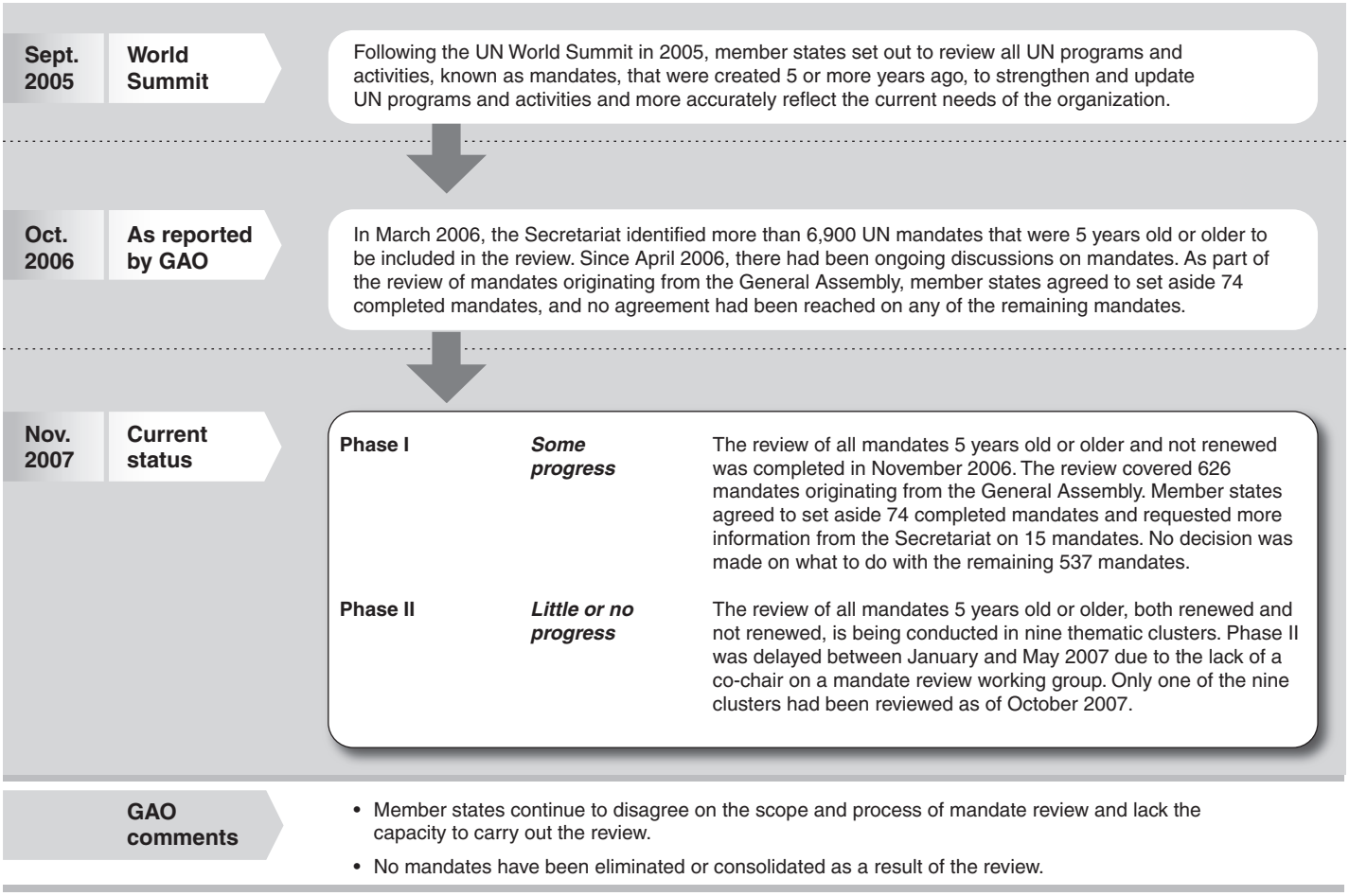
The UN has made little or no progress in improving the delivery of certain services. In May 2006, the General Assembly asked the Secretary-General to conduct several cost-benefit analyses to determine whether certain UN services could be improved. Among the services are internal printing and publishing processes; medical insurance plan administration; information technology support; payables, receivables, and payroll processes; and staff benefits administration. Subsequently, the Secretariat initiated several projects to address these reform proposals but has not completed its analyses. For example, the Secretariat is currently collecting data from staff participants in the UN medical plan and reviewing alternative delivery methods for payroll and other functions.

The Secretariat has not issued a comprehensive report on public access to UN documentation, which the General Assembly requested be submitted during the 61st session. The Secretariat developed a detailed policy proposal that includes resource requirements, financing mechanisms, and proposal of a fee structure. However, according to Secretariat officials, the Secretary-General intends to discuss the proposal with member states before formally submitting it.

Limited Steps Have Been Taken on the Review of UN Programs and Activities

Although UN member states agreed to continue a review of UN programs and activities (known as mandates) in 2007, no actions have been taken to eliminate or consolidate mandates. Member states continue to disagree on the scope and process of the review and lack the capacity to carry out the review, according to State. Consultations among member states on how to move forward on the issue will continue into the 62nd session. Progress in reviewing UN programs and activities is shown in figure 5.

Figure 5: Progress on Review of UN Programs and Activities (known as Mandates)



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Source: GAO analysis of UN data.

In 2005, UN member states agreed to complete a review of all UN mandates[45] with the goal of strengthening and updating them to more accurately reflect the needs of the organization. After some initial minor progress, this effort has diminished substantially due to member states' ongoing disagreements on the scope and process of the review. In addition, the review has not advanced due to the lack of capacity among member states to evaluate the mandates in a substantive matter, according to State.

Phase I of mandate review, which covered all mandates 5 years old or older and not renewed that originated from the General Assembly, was completed in November 2006.[46] We reported in 2006 that throughout the Phase I review, member states disagreed on which mandates to include in the review and what to do with any savings generated by the potential elimination or consolidation of mandates, which led to limited or slow progress. Members of the G-77[47] contended that the scope of the review should include only those mandates 5 years old or older that have not been reviewed since they were adopted. Phase I thus consisted of a review of 626 mandates originating from the General Assembly. As a result of Phase I, member states agreed to set aside 74 completed mandates and requested more information from the Secretariat on 15 mandates.[48] No agreement was reached on the remaining mandates, and no mandates were consolidated or eliminated as a result of the review.

Member states agreed to carry out a Phase II review of mandates to include mandates both renewed and not renewed. The planned approach

[45]Mandate review issues include peace and security; promotion of sustained economic growth and sustainable development; development of Africa; promotion of human rights; effective coordination of humanitarian assistance efforts; promotion of justice and international law; disarmament; drug control, crime prevention and combating international terrorism; and organizational, administrative and other matters. For example, in one mandate, the General Assembly urged the Secretary-General to provide the United Nations Office on Drugs and Crime with the resources necessary to enable it to promote the implementation of the United Nations Convention against Corruption.

[46]Mandates originate from three principal UN entities—the General Assembly, the Economic and Social Council, and the Security Council. For the purpose of this report, we focused on the General Assembly's review process.

[47]The Group of 77 and China (G-77) is a coalition of developing countries that promotes its members' collective interests. Currently, 131 developing countries are members of the G-77.

[48]According to State, mandates that have been acted upon, implemented, and completed have been indicated as "completed." These include founding or founding-related mandates.

was to review mandates by thematic cluster.[49] The initial goal for beginning Phase II was January 2007. Phase II was delayed by the lack of a co-chair on the Informal Working Group on Mandate Review from January 2007 to April 2007 and again from July to October 2007. In October 2007, the process was far from complete, with only one of the nine clusters addressed.

On September 17, 2007, the General Assembly, per the request of the outgoing President of the General Assembly, adopted an oral decision to continue consultations among member states on how to proceed with mandate review in the 62nd session. State officials told us that a new approach is necessary for the review and that it would be meaningless to proceed unless member states identify a process that can achieve meaningful results. State also informed us that there was no implementation plan for mandate review. New parameters for the continuation of the mandate review process have been proposed, but progress remains to be seen.

Various Factors Have Slowed the UN's Management Reform Efforts

Various factors have slowed the UN's efforts to improve the management of the Secretariat, and many remaining UN management reforms cannot move forward until these factors are addressed. During our review, we identified four key factors that hinder progress on UN management reforms: (1) disagreements among member states on UN management reform efforts, (2) lack of comprehensive implementation plans for some management reform proposals, (3) administrative policies and procedures that continue to complicate the process of implementing certain complex human resource initiatives, and (4) competing UN priorities, such as the proposal to reorganize the Department of Peacekeeping Operations, that limit the capacity of General Assembly members to address management reform issues.

Disagreements among Member States Continue to Impede Efforts

Disagreements within the General Assembly continue to limit the implementation of management reforms. Progress on UN management reform efforts is dependent in large part on member states reaching consensus, which can be a time-consuming process as the UN is composed of 192 diverse member states that have differing views on a wide array of

[49]The first thematic cluster included all activities and programs relating to drug control, crime prevention, and combating international terrorism.

issues. (App. III shows the typical management reform decision-making process at the UN for issues requiring General Assembly approval.) In October 2006, we reported that disagreements between G-77 and developed countries over the broader implications of management reforms may affect the UN's ability to fully implement them.

From April through September 2007, we discussed management reform efforts with delegates from 17 member states representing Africa, Asia, Europe, Latin America, the Middle East, and North America. In these discussions, 15 of the 17 delegations told us that the number one challenge to continued progress on management reform efforts is member state disagreements on the priorities and importance of the remaining reform efforts.[50] For example, member states continue to disagree on the scope and process of the review of UN mandates, and some member states are concerned that mandates important to them will be eliminated. For that reason, no mandates have been eliminated or consolidated as a result of the reviews—two of the goals of the process, according to State.

Representatives of member states we spoke with repeatedly stated a clear need for more constructive engagement on reform efforts, particularly between the United States and G-77 countries. For example, four member states—Chile, South Africa, Sweden, and Thailand—have launched the Four Nations Initiative in an effort to provide new ideas and perspectives on governance and management of the UN Secretariat. A State official told us the process appears to be a "credible effort" by member states that complements the UN management reform process. However, he added that other member states' views on this initiative and the potential of the initiative to overcome disagreements among member states are unclear.

Lack of Comprehensive Implementation Plans Continues to Impede Management Reform Efforts

The UN has not developed comprehensive long-term implementation plans for some management reform proposals. Establishing implementation plans is a practice that increases the transparency and accountability of the reform process. We previously recommended that State work with other member states to encourage the General Assembly and the Secretary-General to include cost estimates and expected time frames for

[50]Over half of the 17 member states we spoke with mentioned distrust between the member states and the Secretariat as another hindrance to the progress of reform efforts. Some member states also told us that these concerns have continued under the new Secretary-General, who appointed numerous high-level Secretariat officials without consulting with the member states first.

implementation and completion of each reform effort as it is approved. During our current review, we found little evidence that time frames, completion dates, and cost and savings estimates for completing the long-term implementation of specific management reforms had been established. In addition, most of the approximately 20 cost-benefit analyses and other assessments of management reform issues that the Secretariat had planned to complete by March 2007 have not yet been submitted to the General Assembly. As a result, the total long-term costs of the reform efforts, including the U.S. government's share, remain unclear.[51] Moreover, the UN currently has no formal plan to evaluate the effectiveness of its management reform efforts to determine whether they have achieved the goals set out in the 2005 World Summit outcome document.

Administrative Policies and Procedures Continue to Complicate Human Resource Reform Efforts

Administrative policies and procedures, such as staff regulations and rules that are directed by the General Assembly, continue to complicate and sometimes restrict the process of implementing certain human resources initiatives. Such guidance, some of which has been in existence for decades, is part of the UN's existing resource management framework that, according to the Secretary-General, still lacks flexibility and is largely headquarters-based, though more than half of the UN's staff are currently serving in the field. Although the Secretariat has made progress on some administrative reform initiatives relating to human resources and information technology, it has not addressed several other administrative policies and procedures issues, including conducting a one-time staff buyout and outsourcing and telecommuting for certain administrative services, such as payroll processes, staff benefit administration, and information technology support. As we discussed in our October 2006 report, the overall restrictiveness of these policies and procedures continues to complicate the management reform process.

[51]Although the UN has not established long-term cost estimates, the Secretariat reported in October 2007 that initial estimated costs for implementing certain management reform initiatives—which represent a limited amount of the projected management reform agenda—were approximately $53 million, an increase of $13 million from the $40 million we reported in September 2006. See appendix IV for itemized funding for initial UN management reform efforts approved since September 2006.

Competing Priorities Slow UN Management Reform Efforts

Since our October 2006 report, competing priorities within the Secretariat and General Assembly have limited the capacity of General Assembly members to address the remaining management reform issues.[52] In February 2007, for example, several procurement-related reform issues, such as clear lines of responsibility and accountability, delegation of authority, and internal controls, were not taken into consideration by the General Assembly during the spring 2007 session, as planned. The General Assembly did not address these issues because the new Secretary-General concurrently proposed a reorganization of the DPKO, which absorbed much of the General Assembly's attention throughout the session. As a result, the Secretariat decided not to issue several procurement reports during the spring 2007 session, without which member states told us they were unable to formally consider certain procurement-related reform issues.

Conclusions

Reforming the management of the United Nations has been a priority of the U.S. government for many years, as long-standing weaknesses and inefficiencies in UN management functions have persisted. Although there has been progress in implementing several components of the 2005 reform agenda, some key components remain to be implemented. Completion of the reform agenda will require overcoming several factors, particularly disagreements among member states regarding how to achieve the goals they agreed to at the 2005 World Summit. Some past reform efforts remain incomplete because they did not get sustained and broad support of member states. The current effort faces this same risk. Moreover, while implementation of the reform agenda is a necessary element in meeting the goals of the 2005 World Summit outcome document, it is not in itself sufficient. Successful management reform requires that its components are ultimately effective in modernizing the management functions of the United Nations.

Recommendation for Executive Action

To encourage UN member states to continue to pursue the reform agenda of the 2005 World Summit, we recommend that, as management reforms are implemented over time, the Secretary of State and the U.S. Permanent

[52]A July 2007 report by the Congressional Research Service recognized that, in addition to competing priorities within the Secretariat and General Assembly, the inability of UN member states or Secretaries-General to effectively prioritize reform initiatives is an obstacle to UN reform. CRS Report for Congress, *United Nations Reform: U.S. Policy and International Perspectives* (Washington, D.C., July 24, 2007).

Representative to the UN include in State's annual *U.S. Participation in the United Nations* report an assessment of the effectiveness of the reforms.

Agency Comments and Our Evaluation

We requested comments on a draft of this report from the Department of State and the UN Secretariat. State's comments are reprinted in appendix II, along with our responses to specific points. The UN Secretariat did not provide written comments.

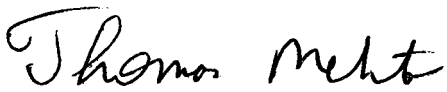
State endorsed the main findings and conclusions of our report and noted that our assessment of UN progress on management reform efforts was accurate and balanced. State also agreed fully with the need to keep Congress informed of the effectiveness of management reforms, adding that the department will continue to monitor and inform Congress, as we recommended. In addition, State agreed with us that more could be done to ensure credible oversight at the UN. Furthermore, State noted that we correctly recognize the need for the UN to establish a formal internal control framework.

State did not agree with our statement that successful whistleblower protections cannot be established without substantial reform of the UN's internal justice program. During our review, we found that UN and nongovernmental organization staff had concerns about weaknesses in the UN internal justice system and the potential impact of these weaknesses on the implementation of a successful whistleblower protection policy. We agree with these concerns. State also notes that the General Assembly's approval of the creation of an independent bid protest system was a critical first step toward enhancing transparency in the UN's procurement award process. However, per our methodology, we categorize this reform effort under "little or no progress" because there was evidence that few or no steps had been taken towards actual implementation of the system. State said it understood that this assessment was consistent with our evaluation methodology.

State and the UN Secretariat provided technical comments that we have incorporated into the report, as appropriate.

We are sending copies of this report to interested congressional committees, the Secretary of State, and the U.S. Permanent Representative to the United Nations. We will also make copies available to others upon request. In addition, the report will be available at no charge on the GAO Web site at http://www.gao.gov.

If you or your staffs have any questions about this report, please contact me at (202) 512-9601 or melitot@gao.gov. Contact points for our Offices of Congressional Relations and Public Affairs may be found on the last page of this report. GAO staff who made contributions to this report are listed in appendix V.



Thomas Melito
Director, International Affairs and Trade

Appendix I: Scope and Methodology

To identify and examine the progress of UN management reforms, we reviewed key documents proposing United Nations (UN) management reforms and interviewed officials from several UN departments in New York. We obtained and reviewed official reports of the Secretariat and the Office of Internal Oversight Services (OIOS), Advisory Committee on Administrative and Budgetary Questions (ACABQ) documents, General Assembly resolutions, Secretary-General bulletins, Web sites, related budget documents, and statements from UN officials. We also interviewed senior officials from UN departments in New York City. Specifically, we met with officials from the General Assembly Office of the President, the Office of the Deputy Secretary-General, the Department of Management, and OIOS. During the course of our review, we discussed the status of UN management reforms with officials from the Department of State in Washington, D.C., and the UN in New York. We also met with representatives from 17 of 192 member states representing various geographic regions, including Africa, Asia, Europe, the Middle East, North America, and South America, to obtain a balance of views on the most critical challenges to reforming UN management.

We selected management reform issues in the key areas of ethics, oversight, management operations of the Secretariat, and review of programs and activities (known as mandates) to examine in more detail.[1] We determined that these were the key areas of management reform through our review of UN documents and our discussions with UN and U.S. officials. We focused our work on management reforms that began in 2005 and did not specifically address the 1997 and 2002 reform agendas. The 2005 reforms applied to the Secretariat and the UN's governing bodies, including the General Assembly, the Economic and Social Council, and the Security Council. We did not include in our review reforms targeted at UN specialized agencies or UN funds and programs; we also excluded efforts such as the UN Peace Building Commission and Security Council and governance reforms. We did not evaluate the effectiveness of the reform efforts because of the recentness of their implementation.

To assess the progress of the UN reform efforts we reviewed, we developed the following three categories:

[1]We did not include human rights in our review because it is not directly related to reforming the management of the UN.

- *Little or no progress*: There is evidence that few or no steps have been taken on the reform effort.
- *Some progress*: There is evidence that some steps have been taken on the reform effort, while others remain.
- *Substantial progress*: There is evidence that the reform effort has been mostly or fully implemented.

During our review, we determined which category of progress to assign to each reform effort based on documents we collected and discussions we had with State, UN, and other officials. After we made our initial assessments of progress, three other GAO staff members not involved in this review used the evidence and the categories to make their own assessments independently of each other. These staff members then met with each other to reconcile any differences in their initial assessments. Finally, they met with us and confirmed that we were all in agreement on our assessments.

To identify factors slowing the progress of the UN reforms we examined, we reviewed reports and documentation of the Secretariat, General Assembly, OIOS, and the ethics office. In addition, we spoke with UN officials in New York. These included officials from the Office of the Deputy Secretary-General, the Department of Management, ACABQ, and OIOS. We also met with representatives from several member states and spoke with U.S. officials in Washington, D.C., and New York. We also interviewed outside observers of the UN system, including nongovernmental organizations and members of academia.

Many cost estimates for the proposed reform initiatives are preliminary, and detailed longer-term cost estimates are being developed; therefore, we did not analyze the assumptions underlying these estimates to determine whether they are reasonable and reliable. However, we believe that the cost estimates and the associated funds that the General Assembly has appropriated to date for reform efforts are sufficiently reliable for the purposes of this report.

We conducted our work from March to November 2007 in accordance with generally accepted government auditing standards.

Appendix II: Comments from the Department of State

Note: GAO comments supplementing those in the report text appear at the end of this appendix.

United States Department of State

Assistant Secretary for Resource Management and Chief Financial Officer

Washington, D.C. 20520

NOV 02 2007

Ms. Jacquelyn Williams-Bridgers
Managing Director
International Affairs and Trade
Government Accountability Office
441 G Street, N.W.
Washington, D.C. 20548-0001

Dear Ms. Williams-Bridgers:

We appreciate the opportunity to review your draft report, "UNITED NATIONS: Progress on Management Reform Efforts Has Varied," GAO Job Code 320483.

The enclosed Department of State comments are provided for incorporation with this letter as an appendix to the final report.

If you have any questions concerning this response, please contact Matthew Glockner, Program Analyst, Bureau of International Organization Affairs, at (202) 647-6413.

Sincerely,

Bradford R. Higgins

cc: GAO – Phillip Thomas
IO – James Warlick
State/OIG – Mark Duda

Department of State Comments on GAO Draft Report
UNITED NATIONS: Progress on Management Reform Efforts Has Varied
(GAO-08-84, GAO Code 320483)

Thank you for the opportunity to comment on your draft report entitled UNITED NATIONS: Progress on Management Reform Efforts Has Varied. The Department of State has long been a strong supporter of efforts to improve the management of the United Nations and welcomes the GAO report on this subject. The report provides timely information on several aspects of the ongoing effort to revitalize the administration of the United Nations. The previous GAO report (GAO-07-14) examined progress made on management reforms during the initial twelve months following the September 2005 UN World Summit. This subsequent review provides an updated picture of the continuing efforts by Member States and the UN Secretariat to strengthen ethics, oversight, and procurement systems, improve the operations of the Secretariat, and review UN program mandates.

The Department of State endorses the main findings and conclusions of the GAO report. We believe that GAO's assessment of progress is both accurate and balanced. As the report notes, the United Nations has made more substantial progress in some areas than in others. To help move the reform process forward, the GAO recommends that the Department of State include an assessment of the effectiveness of major UN management reforms in the annual "U.S. Participation in the United Nations" report to Congress. The Department of State agrees fully with the need to keep Congress informed of the effectiveness of management reforms. In fact, we believe that an assessment of impact will be a particularly useful measure of progress, and we will continue to monitor and inform Congress as recommended.

The GAO makes several observations concerning the status of UN ethics systems. The Department of State considers these reforms particularly important to fostering integrity and ethical conduct. GAO notes that both the United Nations and a public interest group expressed concerns that the success of the whistleblower protections depends, in part, upon reform of the UN's internal system for the administration of justice. While we recognize that reforms of the internal justice system could result in an increase in confidence among UN staff concerning the whistleblower protections, we do not agree that successful whistleblower protections cannot be established without substantial reform of the UN's internal justice system. Under the UN's whistleblower policy (ST/SGB/2005/21), UN staff should have no reason to seek recourse via the internal justice system. The Ethics Office is responsible for reviewing complaints

See comment 1.

of retaliation, determining whether there is prima facie case of retaliation, and referring cases of retaliation or threatened retaliation to the Office of Internal Oversight Services (OIOS) for further investigation. For established cases of retaliation or threatened retaliation, the Ethics Office may recommend corrective action. At the same time, we acknowledge that reform of the internal justice system is long overdue and will continue to support efforts in this regard.

The GAO also notes the concerns of the United Nations and the Department of State regarding the Ethics Office's apparent lack of jurisdiction over the UN Funds and Programs. To address this issue, we have been stressing the need for a system-wide approach to ethical conduct as called for in the 2005 World Summit Outcome Document. During the October 26-27 meeting of the UN System Chief Executives Board for Coordination, chaired by UN Secretary-General Ban Ki-moon, the heads of the UN Funds and Programs agreed to establish a common code of ethics and a unified system for promoting ethical conduct. The heads of the UN Specialized Agencies also expressed an interest in a system-wide approach to ethics. Accordingly, in addition to utilizing existing mechanisms within their respective agencies, staff will be able to seek the advice and assistance of the UN Ethics Office. The Department of State welcomes the decision by the heads of the UN Funds and Programs to establish a common code of ethics and a unified system for promoting ethical conduct. We plan to press for expedited implementation of this recommendation.

The GAO also makes several observations regarding efforts to strengthen UN oversight systems. The U.S. Government has long pushed for strong oversight mechanisms in the UN system, and we were a driving force behind the creation of the Independent Audit Advisory Committee (IAAC) in June 2007. The Department of State considers the final terms of reference for the IAAC that were adopted to be an important step forward that has the potential to be one of the most significant oversight-related management reforms to take place at the UN in recent years. Yet, we also agree that more can be done to ensure credible oversight. In this regard, we continue to press for enhancing the operational independence of OIOS. Furthermore, the GAO correctly recognizes the need for the United Nations to establish a formal internal control framework. Together with risk management, an internal control framework would help the United Nations decrease the likelihood and potential for mismanagement and malfeasance, as well as enable OIOS to focus its work on the areas of highest risk. We continue to press the UN Secretariat to expedite completion and circulation of its expected reports on accountability, risk-based management and enterprise risk management so that Member States can discuss and take action on this important issues.

See comment 2.

The Department of State notes the GAO's conclusion that little or no progress has been made in establishing an independent bid protest system for UN procurements. We understand that this assessment is consistent with GAO's evaluation methodology. However, we would like to point out that General Assembly resolution 61/246 of December 22, 2006, approved the creation of an independent bid protest system. This was a critical first step toward enhancing transparency in the UN's procurement award process. Even though the Secretariat has not finalized the details of this system, the General Assembly's endorsement was critical to moving forward. Once fully established, the bid protest system should provide a mechanism for vendors to dispute UN procurement decisions.

The GAO also assessed the status of improvements to the operations of the UN Secretariat, including updating human resources practices and modernizing information technology systems. The report notes that the General Assembly rejected the proposal for a one-time staff buyout. Consistent with the recommendation of the Gingrich-Mitchell Task Force on the United Nations, the Department of State reviewed the Secretary-General's buyout plan. We determined that a buyout would not result in a staff realignment that would reflect the current needs of the organization. The buyout plan was costly and did not provide any assurance that it would target unwanted or unneeded staff for separation. Other Member States shared this assessment, and the proposal was broadly rejected.

As the GAO report indicates, implementation of management reforms will help sustain the confidence of UN Member States. Promoting good management in the UN system has long been a priority for the U.S. Government. In this respect, the Department of State has a continuing responsibility to evaluate carefully the reform proposals of the Secretary-General to determine whether they will fulfill this objective. Likewise, other Member States will conduct their own evaluations of reform proposals. Implementing reforms will require the United States to continue working with other Member States to build consensus, which is often a time consuming process that causes the pace of reform to proceed more slowly than the United States desires. That said, we are strongly committed to sustaining progress on UN management reform.

The following are GAO's comments on the State Department's letter dated November 2, 2007.

GAO Comments

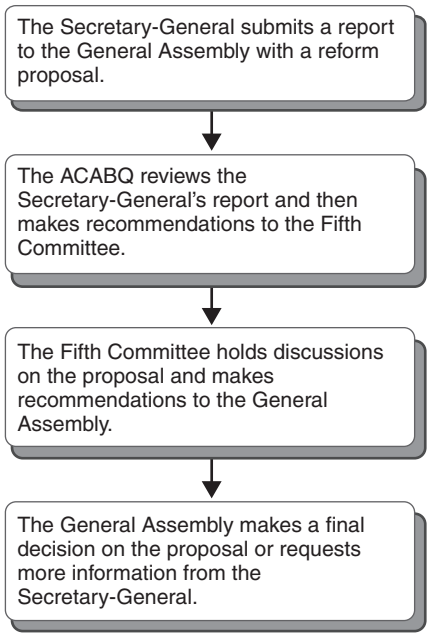
1. During our review, we found that UN and nongovernmental organization staff had concerns about weaknesses in the UN internal justice system and the potential impact of these weaknesses on the implementation of a successful whistleblower protection policy. We agree with these concerns. As we state in our report, without a fair and impartial justice system that effectively executes corrective action in cases of retaliation or threatened retaliation, staff may not submit cases to the ethics office. Also, the annual activities report of the ethics office states that protection against retaliation is linked to the internal justice system.

2. State notes that the General Assembly's approval of the creation of an independent bid protest system was a critical first step toward enhancing transparency in the UN's procurement award process. Per our methodology, approving the creation of a protest system, while demonstrating intent, is not equivalent to actual implementation of the system, which has yet to begin. We categorize this reform effort under "little or no progress" because there was evidence that few or no implementation steps had been taken. As State notes in its comments, our assessment that the UN has made little or no progress in establishing an independent bid protest system for UN procurements is consistent with our evaluation methodology.

Appendix III: Typical Management Reform Decision-Making Process for Issues Requiring General Assembly Approval

The management reform decision-making process at the UN involves multiple entities. For example, when a management reform has budgetary implications, the Advisory Committee on Administrative and Budgetary Questions and the Administrative and Budgetary Committee (the Fifth Committee) are involved in the process. The Advisory Committee on Administrative and Budgetary Questions, a subsidiary organ of the General Assembly, consists of 16 members appointed by the assembly in their individual capacity. The functions and responsibilities of the advisory committee include advising the General Assembly concerning any administrative and budgetary matters referred to it. The Fifth Committee is the General Assembly's committee for administrative and budgetary matters and is composed of all 192 member states. Figure 6 depicts the typical management reform decision-making process at the UN for issues requiring General Assembly approval.

Figure 6: Typical Management Reform Decision-Making Process for Issues Requiring General Assembly Approval



Source: State.

Appendix IV: Funds Approved to Implement Certain Management Reform Initiatives, as of October 2007

We reported in October 2006 that the Secretariat's estimated costs for implementing certain management reform initiatives were approximately $40 million. Since then, due to additional actions taken during the 61st session, the Secretariat's revised cost estimate, as of October 2007, had risen by about $13 million to approximately $53 million, as shown in table 1 below.

Table 1: Funds Approved to Implement Certain Management Reform Initiatives, as of October 2007

Dollars in millions

Reform actions	Funds approved (2006-2007 biennium), as of September 2006	Additional funds approved since September 2006[a]	Total funds approved, as of October 2007
Regular budget resources			
Increase in the Working Capital Fund (from member states' assessments effective Jan. 1, 2007)	$15.1	$0	$15.1
Strengthening of the Office of Internal Oversight Services (39 temporary posts)	**5.8**	**0**	**5.8**
Additional funding for the new Human Rights Council	4.4	0	4.4
Cost of an independent external evaluation on governance and oversight	4.3	0	4.3
New ethics office	2.9	0	2.9
Cost of a study and implementation plan for the new information communications technology system	2.2	0	2.2
Start-up cost for the International Public Sector Accounting Standards	2.0	0	2.0
Office accommodations for new posts at headquarters	1.9	0	1.9
New chief information communications technology officer	0.3	0	0.3
Staff selection system in the Office of Human Resources Management	0.2	0	0.2
Human resource, training, and related items	0	4.8	4.8
Office space for the Office of the UN High Commissioner for Human Rights	0	5.0	5.0
Establishment of the Independent Audit Advisory Committee	0	0.3	0.3
Subtotal, regular budget resources	**$39.1**	**$10.1**	**$49.2**
Peacekeeping support account			
Temporary procurement service staff (6)	0.7	0	0.7
Human resources reforms and training for procurement staff	0	2.7	2.7
Subtotal, peacekeeping support account	**$0.7**	**$2.7**	**$3.4**
Total additional funds approved to date	**$39.8**	**$12.8**	**$52.6**

Sources: UN and the U.S Mission to the UN.

Notes: The total dollar amount presented in the table attempts to address the scope of our report objectives and does not include all reform efforts that were a result of the 2005 World Summit, such as the Peace Building Commission and the Office of the High Commissioner for Human Rights. The Working Capital fund was increased from $100 million to $150 million. To cover the increase, $34.9 million will be funded from the 2004-2005 budget surplus and $15.1 million from additional assessments for 2006-2007. The $34.9 million is an estimate pending the Board of Auditors audit for the biennium. According to a Department of State official, funds for the review of certain budgetary, financial, and human resources policies, including the design of the staff buyout program, are being drawn from existing resources.

[a]Reflects General Assembly action during the 61st session.

Appendix V: GAO Contact and Staff Acknowledgments

GAO Contact

Thomas Melito, (202) 512-9601 or melitot@gao.gov

Staff Acknowledgments

In addition to the contact named above, Phillip Thomas, Assistant Director; Sarah Chankin-Gould; Debbie J. Chung; Lyric Winona Clark; and George Taylor made key contributions to this report. Michael Derr, Etana Finkler, Grace Lui, Amanda Miller, and Jena Sinkfield provided technical assistance.

Related GAO Products

United Nations Organizations: Oversight and Accountability Could Be Strengthened by Further Instituting International Best Practices. GAO-07-597. Washington, D.C.: June 18, 2007.

United Nations: Management Reforms Progressing Slowly with Many Awaiting General Assembly Review. GAO-07-14. Washington, D.C.: October 5, 2006.

United Nations: Weaknesses in Internal Oversight and Procurement Could Affect the Effective Implementation of the Planned Renovation. GAO-06-877T. Washington, D.C.: June 20, 2006.

United Nations: Oil for Food Program Provides Lessons for Future Sanctions and Ongoing Reform. GAO-06-711T. Washington, D.C.: May 2, 2006.

United Nations: Internal Oversight and Procurement Controls and Processes Need Strengthening. GAO-06-710T. Washington, D.C.: April 27, 2006.

United Nations: Funding Arrangements Impede Independence of Internal Auditors. GAO-06-575. Washington, D.C.: April 25, 2006.

United Nations: Lessons Learned from Oil for Food Program Indicate the Need to Strengthen UN Internal Controls and Oversight. GAO-06-330. Washington, D.C.: Apr. 25, 2006.

United Nations: Procurement Internal Controls Are Weak. GAO-06-577. Washington, D.C., April 25, 2006.

United Nations: Preliminary Observations on Internal Oversight and Procurement Practices. GAO-06-226T. Washington, D.C.: October 31, 2005.

United Nations: Sustained Oversight Is Needed for Reforms to Achieve Lasting Results. GAO-05-392T. Washington, D.C.: March 2, 2005.

United Nations: Oil for Food Program Audits. GAO-05-346T. Washington, D.C.: February 15, 2005.

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